

## **REMARKS**

Based on the above amendment and the following remarks, the application is deemed to be in condition for allowance and action to that end is respectfully requested.

The Examiner has rejected claims 1-45, under 35 U.S.C. §103(a), as being unpatentable over U.S. Patent No. 6,418,419 to Nieboer in view of U.S. Patent No. 6,029,146 to Hawkins. It is respectfully submitted that all of the claims presently pending in the application are patentably distinct over the prior art, including all of the prior art of record in the application, and are, therefore, allowable. The combination of the cited prior art does not lead to the claimed invention nor does such a combination provide the advantages of the invention.

Neither Nieboer or Hawkins disclose the processing of “purchase and redemption transactions.” Moreover, the system disclosed in each reference does not receive orders from “designated Exchanges,” which are National Securities Exchanges per Rule 6a-1 of the Securities Exchange Act of 1934 (ref: <http://www.law.uc.edu/CCL/34ActRIs/rule6a-1.html>). Neither reference provides a disclosure to “reformat” order messages necessary to communicate with established institutional fund order systems. Moreover, neither reference discloses receiving order messages in established Exchange Equity Order Entry Format at a server from at least one of a plurality of servers at designated Exchanges and reformatting the order messages to Fund Order Entry Format at the server.

In contradistinction, the references each disclose receiving orders from buyers and sellers, each of which have a unique interest in either buying shares or selling their shares. The references disclose traditional matching of buyers and sellers with each other.

*However, shares of open-end mutual funds, on which this invention is based, are not traded. Shares of open-end mutual funds are not “traded” among holders of those shares. Buyers (purchasers) of mutual shares receive newly created shares from the mutual fund / investment company. Sellers (redeemers) of shares tender the shares to the fund / investment company, which redeems those shares and cancels them. Hence, the concept of “matching” (transaction between) buyers and sellers is not applicable to open-ended mutual funds.*

In comparison, the instant application claims receiving a plurality of buy (purchase) or sell (redemption) messages in Exchange Equity Order Entry Format at a first server from brokers (on behalf of customers) at servers at, at least one of, a plurality of EXCHANGES, regulated under the Securities Exchange Act of 1934, and the first server AGGREGATES (using an algorithm) and REFORMATS those order messages to Fund Order Entry Format, and sends them to servers at a Fund/Securities Clearing Agent, which is in communication with servers at the Mutual Fund/Investment Company.

The claimed invention does not “match” buyers and sellers with each other, as the system disclosed in the each of the references does. The claimed invention provides an efficient way of processing either individual mutual fund purchase or redemption orders, or aggregations of those orders directly with the Mutual Fund / Investment Company via the Fund/Securities Clearing Agent.

“Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggesting supporting the combination. Under section 103, teachings of references can be combined only if there is some suggesting or incentive to do so.” *In re Fritch*, 23 U.S.P.Q. 2d 1780, 1783 (Fed. Cir 1992) (footnote omitted) (emphasis in original). See also *In re Sernaker*, 217 U.S.P.Q. 1, 6 (Fed. Cir. 1983); *SmithKline Diagnostics, Inc. v. Helena Laboratories Corp.*, 8 U.S.P.Q. 2d 1468, 1475 (Fed. Cir. 1988); *In re Laskowski*, 10 U.S.P.Q. 2d 1397, 1399 (Fed. Cir. 1989); *In re Fine*, 5 U.S.P.Q. 2d 1596, 1598 (Fed. Cir. 1988).

The Court of Appeals for the Federal Circuit clearly stated:

It is impermissible to use the claimed invention as an instruction manual or “template” to piece together the teaching of the prior art so that the claimed invention is rendered obvious.

*In re Fritch*, 23 U.S.P.Q. 2d 1780, 23 1780, 1783 (Fed. Cir. 1992)

The *In re Fritch* holding only confirmed a long established view that obviousness should not be read “into an invention on the basis of Applicant’s own statements”. The prior art must be viewed “without reading into that art Appellant’s teachings” and the teachings of the prior art should, “in and of themselves and without the benefits of Appellant’s disclosure (emphasis in the original text) make the invention as a whole, obvious.” *In re Spinnoble*, 160 U.S.P.Q. 237, 243 (CPA 1969).

There is no suggestion, incentive or motivation in the cited reference for the combination on which the Office Action relies. A statement that it would have been obvious to one skilled in the art to make modifications to the references is not sufficient to establish a *prima facie* case of obviousness. MPEP § 2143.01 relying on *Ex Parte Levengood*, 28 U.S.P.Q. 2d 1300 (Bd. Pat.

App. & Inter. 1993). The Federal Circuit has held that a claimed invention was not obvious, where “[c]onspicuously missing from [the] record is any *evidence*, other than the PTO’s speculation (if it be called evidence) that one skilled in the art would have been motivated to make the modification of the prior art “necessary to arrive at the claimed invention.” *In re Jones* 21 U.S.P.Q. 2d 1941 (Fed. Cir. 1992).

*Ex Parte Clapp*, 227 USPQ 972,973 (Bd. Pat. App & Inter. 1985) requires that when the references do not suggest the invention “. . . the Examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teaching of the references.” No such line of reasoning is seen in the Office Action.

There is no suggestion in the cited prior art that would lead one of ordinary skill in the art to attempt a combination of these references to achieve the invention as claimed in claims 1-45. Accordingly, withdrawal of the rejection to such claims under 35 U.S.C. §103(a) is respectfully requested.

### **CONCLUSION**

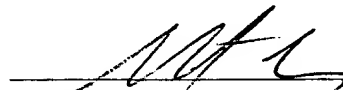
In view of the foregoing, it is respectfully submitted that the application is in condition for allowance, and allowance of the application is respectfully requested.

Should the Examiner require or consider it advisable that the specification, claims and/or drawings be further amended or corrected in formal respects, in order to place the case in condition for final allowance, then it is respectfully requested that such amendment or correction be carried out by Examiner's amendment and the case passed to issue.

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Alternatively, should the Examiner feel that a personal discussion might be helpful in advancing this case to allowance, the Examiner is invited to telephone the undersigned.

Respectfully Submitted,



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I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail and addressed to: Commissioner for Patents, Alexandria, VA 22313-1450 on December 14, 2004.

